

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3175 – SB 3194

June 2, 2010

SUMMARY OF AMENDMENTS (014654, 016934, 019139): Amendment 014654 adds language to Section 1 of the original bill, stating the price under a cooperative purchasing agreement may be considered as an informal bid if general law, charter, or private act requires competitive bidding for a municipality. Amendment 016934 rewrites the original bill. Authorizes local governments to participate in cooperative purchasing agreements with other local governments. Exempts construction, engineering or architectural services, or construction materials from cooperative purchasing agreements. Authorizes local governments to purchase equipment under the same terms of a legal bid initiated by another local government so long as the individual unit price is less than \$10,000. Amendment 019139 adds language to ensure that local governments would continue to be able to engage in cooperative purchasing agreements as authorized by current law.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures – Exceeds \$100,000/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

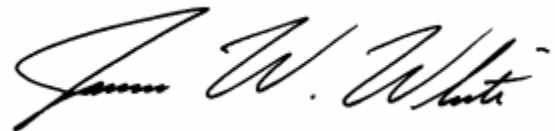
Assumption applied to amendments:

- Local governments that choose to purchase under contracts that have been bid by other local governments may experience a permissive decrease in local expenditures due to decreased administrative costs and utilizing greater economies of scale. This decrease is reasonably estimated to exceed \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kmc